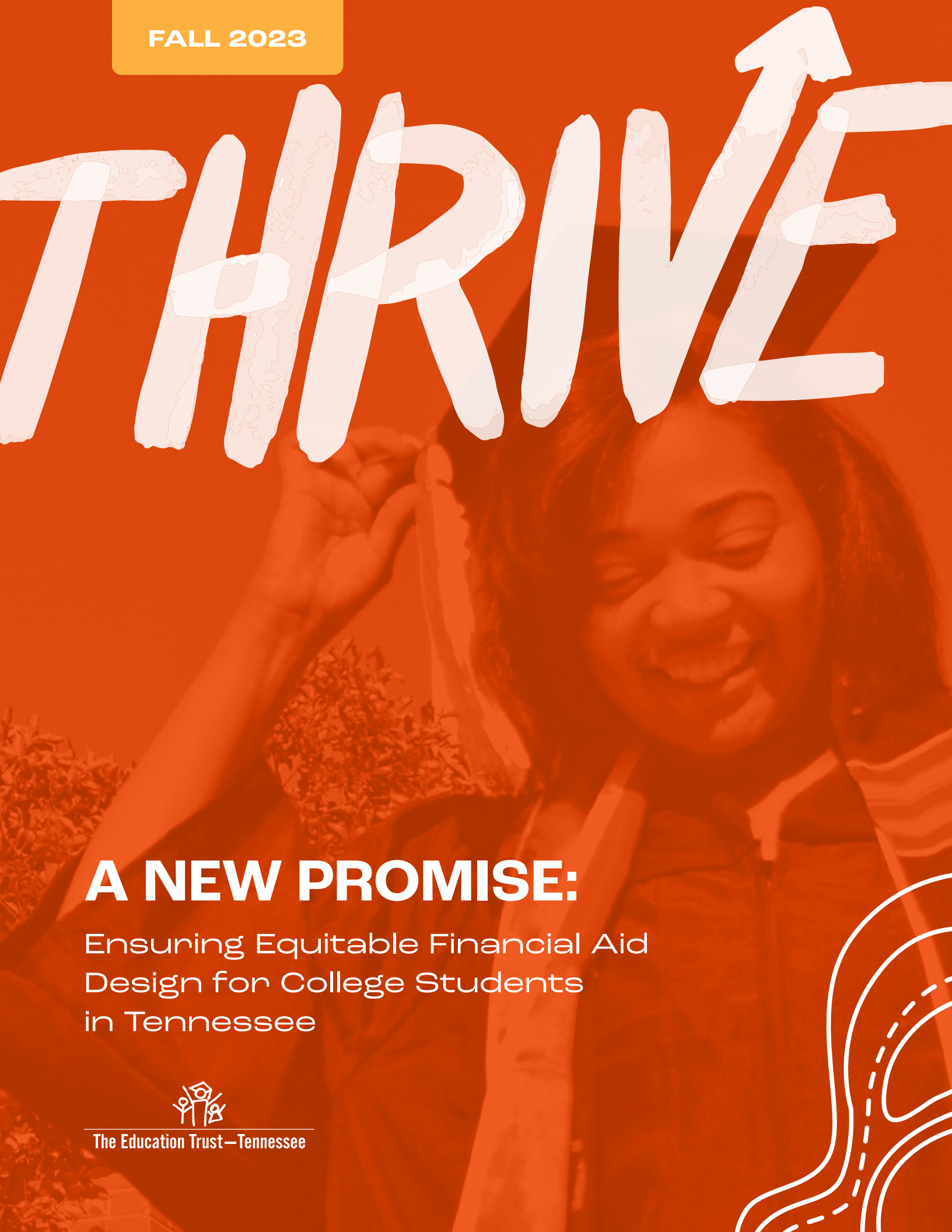


FALL 2023



THRIVE

A NEW PROMISE:

Ensuring Equitable Financial Aid
Design for College Students
in Tennessee



The Education Trust—Tennessee



By: **Sonny Metoki**, Higher Education Policy Analyst, The Education Trust — Tennessee

Table of Contents

Introduction 3

Research Methodology 4

Key Findings: How do Students Manage Costs While Pursuing Higher Education? 6

Key Findings: A Deeper Dive Into Tennessee’s Pell Student Experience 10

Key Findings: What does Data and Research Tell Us About Need-Based Aid? 14

State Financial Aid Policy Scan 19

Key Recommendations for Equitable Financial Aid in Tennessee..... 22

Conclusion 24

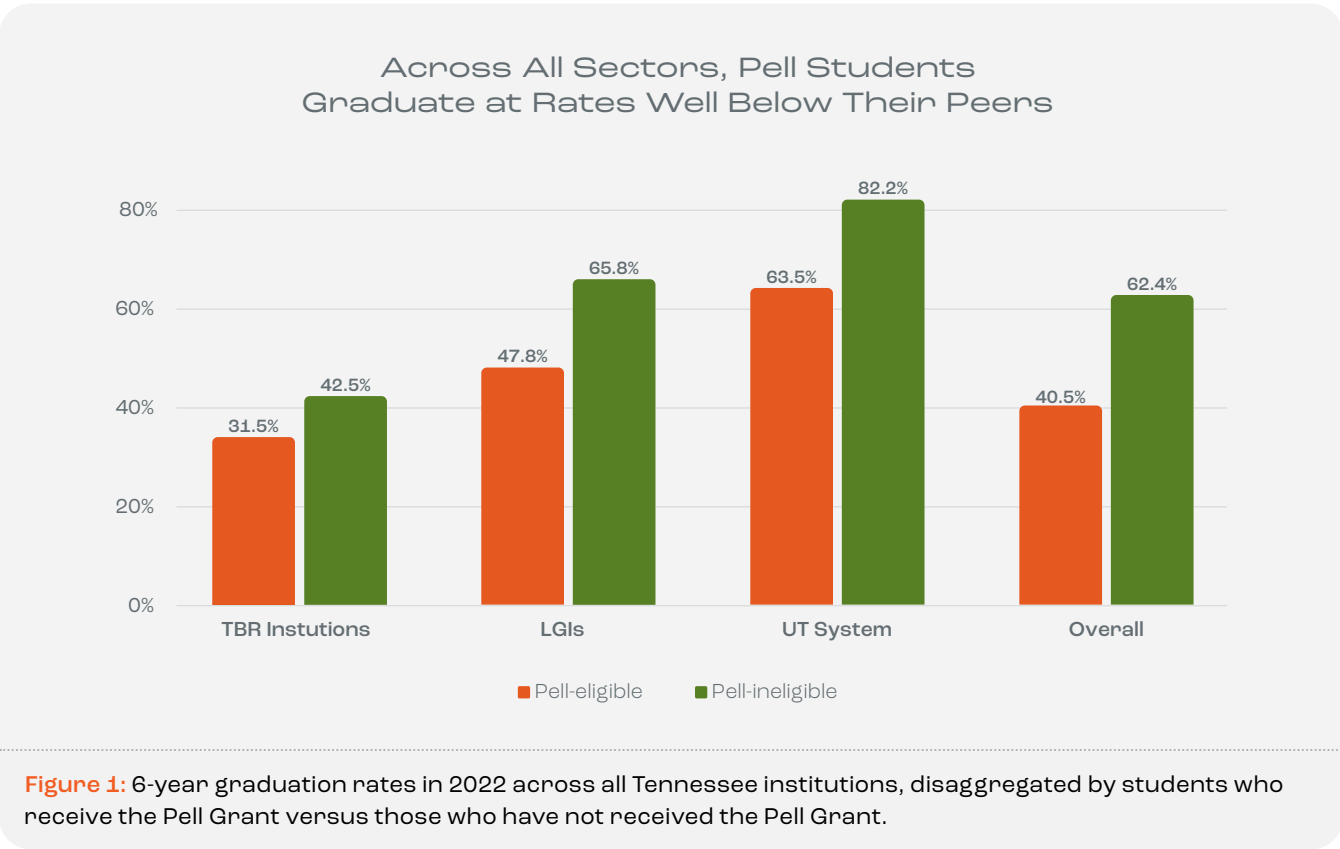
Acknowledgments 25

Endnotes 25

Introduction

For Tennessee’s students from economically vulnerable backgrounds, the rising cost of attending college – inclusive of tuition, fees, books, and living expenses – threatens equal opportunity and the promise of higher education. Rising tuition and fees, combined with skyrocketing living expenses, disproportionately impact students who are unable to count on the financial support of their families. To manage those costs, students increasingly are working multiple jobs, withdrawing from or enrolling in fewer courses, and sacrificing basic needs while balancing their academic success. For far too many Tennesseans, the disproportionately large unmet costs for students from low income backgrounds jeopardize their access to a postsecondary credential or degree.¹

01



Need-based aid programs, like the Federal Pell Grant or the Tennessee Student Assistance Award² (TSAA) provide financial assistance directly to students who come from low-income households and are shown by research as effective levers for promoting economic mobility for students.³ Despite the importance of these programs to driving Tennessee’s economic and attainment goals, neither have kept pace with dramatically rising costs⁴—leaving students to foot the bill.

To address the issue of college affordability, Tennessee offers one of the most robust financial aid portfolios in the nation but lags far behind in the proportion of aid allocated to students solely on the basis of financial need. A large variety of scholarships with inconsistent eligibil-

ity and renewal rules, too, creates a confusing, inflexible ecosystem that mitigates the value of Tennessee’s large investment, particularly for students whom financial aid is most essential. **Today, Tennessee’s Pell-eligible students graduate at rates 22 percentage points lower than their non-Pell peers.** While lowering the cost of attendance for all Tennesseans should be applauded, financial aid systems must be streamlined, and recognize a student’s unique circumstances and needs to ensure that dollars are equitably distributed to those whose access and success in college depend upon it.

To understand how costs in higher education impact behaviors and academic success for Tennessee’s Pell-eligible students, The Education Trust – Tennessee conducted a statewide survey and focus groups amongst current undergraduate students, along with an analysis of Tennessee’s financial aid system. Using this data, Ed Trust – TN has identified key recommendations for state policymakers to streamline and recognize student circumstances in our financial aid ecosystem that will cement Tennessee as a national leader in college affordability for all.

Research Methodology

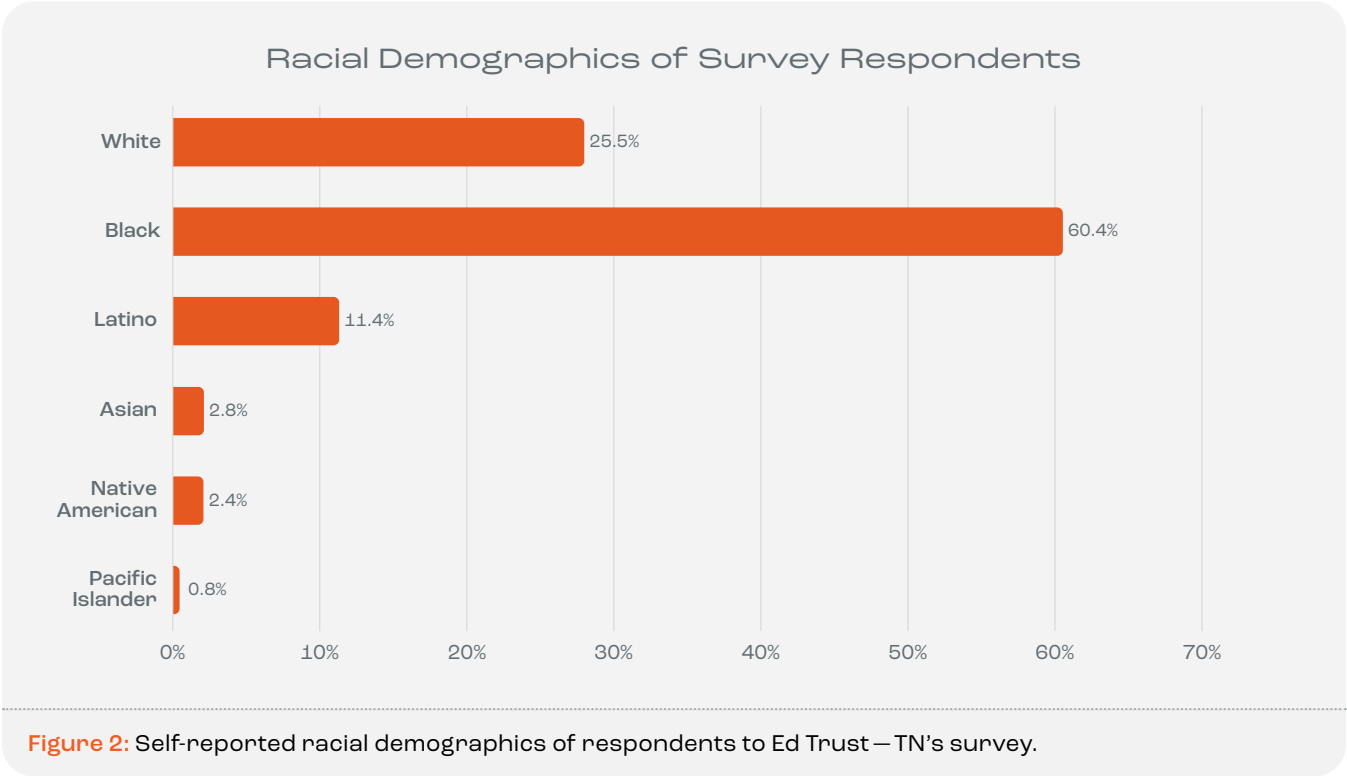
Ed Trust – Tennessee sent surveys to Tennessee undergraduate students to provide a broad overview of how students experience costs while pursuing a postsecondary education. To ensure a diverse audience, surveys were shared via the [Tennessee Alliance for Equity in Education](#)⁵, a coalition of over [80 organizations](#) across the state convened by The Education Trust – Tennessee. Additionally, they were sent by email and amplified over social media through [The EmpowerEd Student Network](#)⁶, [The Thrive Student Network](#)⁷, and Ed Trust’s higher education campus partners. The survey requested baseline information about which scholarships students received, behaviors related to academic success as a result of financial cost, how many hours they were working while in school, amongst other questions⁸. Representing public and private, 4-year, community college, and Tennessee Colleges of Applied Technology across Tennessee’s grand divisions, **532 total students participated in the survey.** Of survey respondents:

- 19 percent identified as Pell-eligible*
- 61 percent identified as a first-generation college student
- 74 percent identified as enrolling full-time in the current semester

* Considering demographic responses of participants, the number of Pell-eligible students is likely underreported in this survey. This is likely due to lack of knowledge about Pell-status, and the optional nature of the survey question asking for Pell-status, amongst other potential reasons.

Students who self-identified as Pell recipients were then invited to participate in a paid, 40-minute Zoom focus group to share their in-depth experience managing expenses while pursuing a postsecondary degree. Of the 101 Pell recipients who responded to the survey, 21 total students participated in a focus group, representing community colleges and 4-year universities across Tennessee.

02



Key Findings: How do Students Manage Costs while Pursuing Higher Education?

College Affordability Goes Far Beyond Just Tuition

While traditional rhetoric around college affordability revolves around tuition, rising non-tuition-related costs like rent, groceries, childcare, and transportation are realities that students must also balance while in school. 1 in 3 survey respondents indicated that they did not currently have the resources to cover medical and health-related expenses, followed closely by housing and tuition costs. Nearly half of respondents indicated they were financially responsible for supporting a dependent or a family member, as well. While affording high tuition costs are top of mind for students, dealing with life’s realities while enrolled remains a challenge for many Tennesseans.

“My parents are struggling financially so it’s just helping my parents pay for their bills. We’re all struggling so I’m helping half and half. Mostly everything — car bills, insurance, all that. I’m worried — that’s why I’m working two, three jobs now just to help my parents.”

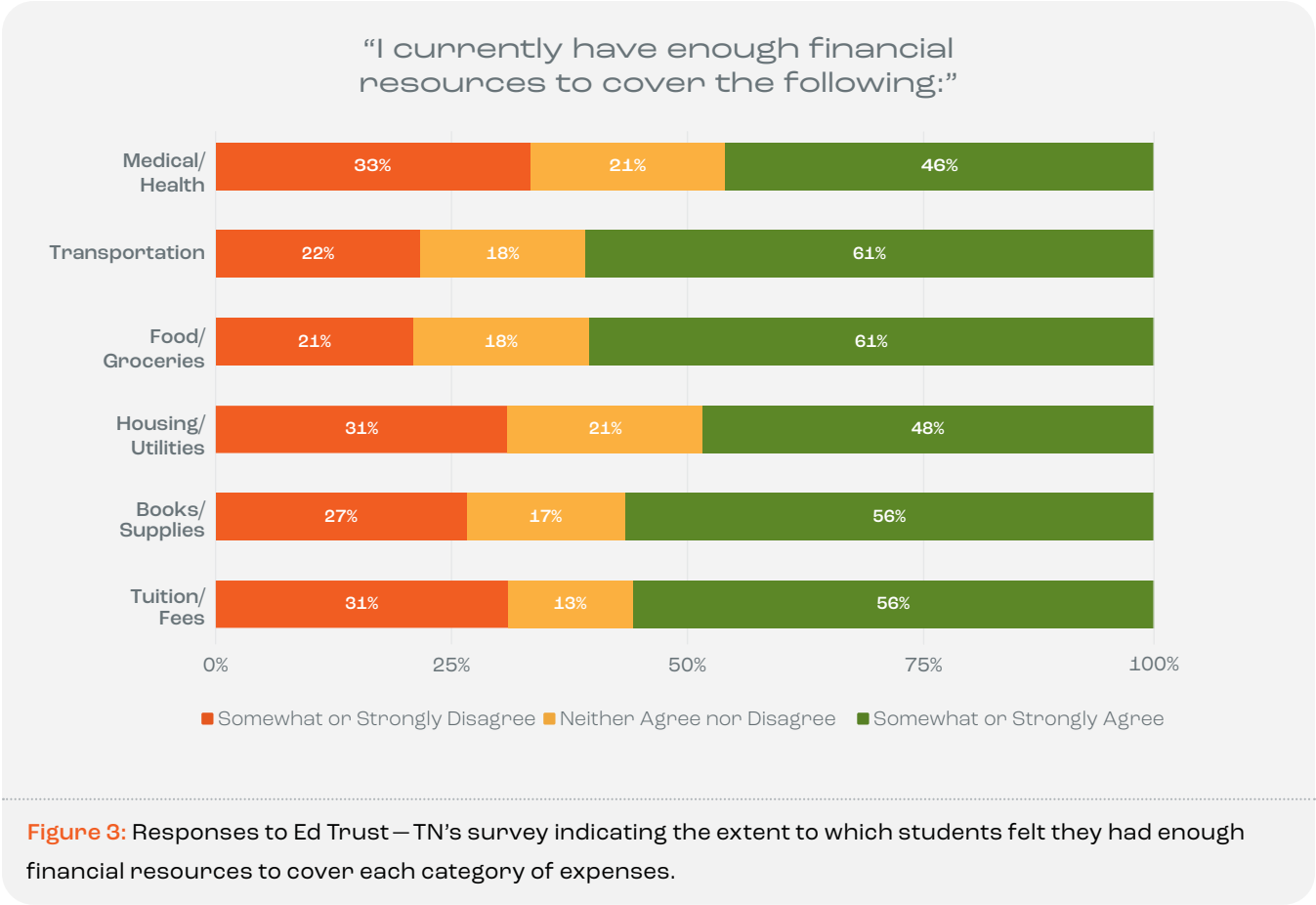
— Student at a public 2-year community college, Middle TN

Inability to Meet Costs Now, Impedes Success and Costs More Later

In order to graduate on time*, students must enroll in an average of 15 credit hours per semester. Despite this, over two-thirds of students indicated that they enrolled in fewer courses at the beginning of a semester, and over half indicated they dropped a course during a semester as a result of financial cost. For those who cannot afford to enroll in 15 credit hours per semester — either because they need to work more hours to support themselves or because they simply cannot afford the added tuition costs — students must tack on additional semesters at school to make up those classes. Added time in school incurs additional costs for students, elongates the amount of time in which an adverse life event could cause them to stop out, and could end their scholarship eligibility — meaning that students who struggle financially end up paying substantially more and take longer to obtain their degree.

* “On-time” refers to a student pursuing an Associate’s degree graduating within 2 years, or a student pursuing a Bachelor’s degree graduating within 4 years.

03



“I think if anything because of the stress and balance of having to work and be a student I had to add another semester to my college degree. That was something that was frustrating and hard to manage because it’s extra money and time.”

— Student at a 4-year private university in Middle Tennessee

To Meet Costs, Pell-eligible Students Work Far More than Non-Pell Peers

While most responses were consistent across Pell and non-Pell students, one clear differentiation arose: hours worked while in school. **Over half of Pell-eligible students indicated they were working over 20 hours a week while in school, nearly double that of their non-Pell peers.**

As a result of financial cost...

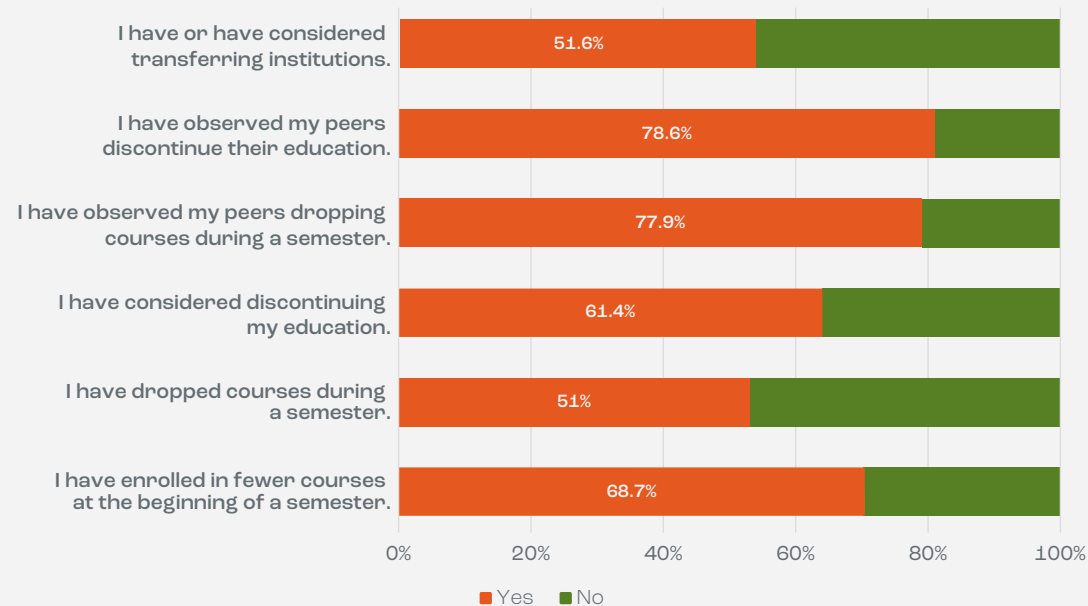


Figure 4: Responses to Ed Trust – TN's survey indicating whether students engaged in certain academic-related behaviors as a result of financial cost.

"It has been really hard these four years just because you want to put 100% into your academics but there's a lot of things financially that we don't have the privilege of not caring about ... I didn't get to do a lot of things that other college students get to do like being on campus, meeting new people, networking. My classes would be done and I had to go to work."

—Student at a private 4-year university in Middle TN

While many students work while they are enrolled in school, students must balance work with academics, extracurriculars, and personal responsibilities. Unfortunately, having to work more hours to afford the cost of attendance, oftentimes in jobs irrelevant to their field of study, threatens a student's ability to focus on their academics and participate in professional development opportunities. Importantly, research suggests that working while enrolled is related to positive academic outcomes, but that exceeding the 20 hours per week threshold is associated with a negative relationship on a student's GPA⁹. For Pell students — of which over 30 percent of respondents reported working over 30 hours a week — meeting this balance is increasingly a challenge, disproportionately threatening their academic and professional success.

"I let go of my job because it was too much stress ... I had some money saved up, but whenever money would run out I had to find another job. I would work at one job, and after I would go back to Walgreens. School is a full time job and I work school hours; I would try to take online classes in the evening if I could. It would range from 32-40 hours a week. For me, the job that I let go of was the job that was for my career and the jobs I have now are to make ends meet and pay the bills."

—Adult student at a 2-year community college in Middle Tennessee

On average, how many hours a week do you work during the school year?

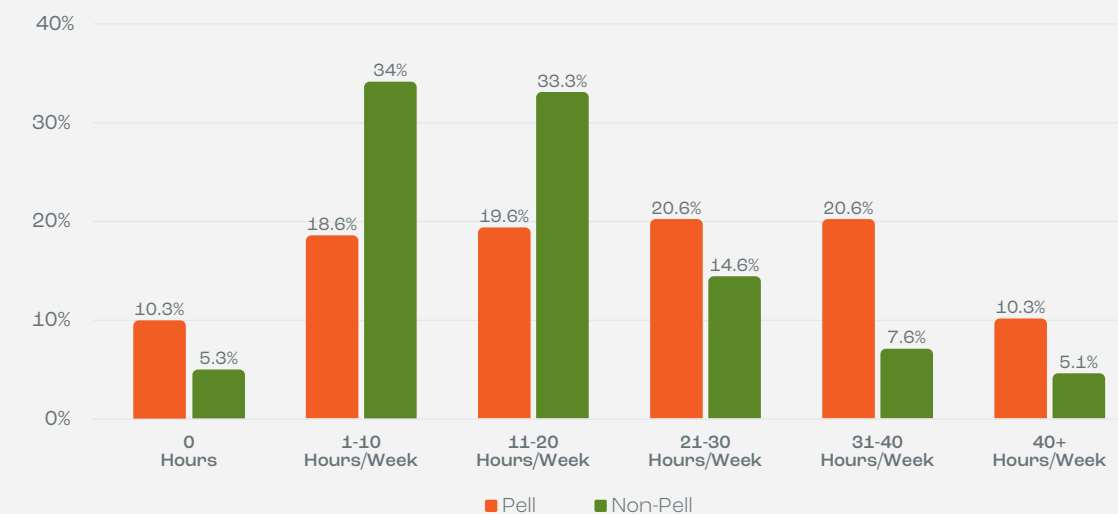


Figure 5: Responses to Ed Trust – TN's survey indicating how many hours per week students were working during the school year, disaggregated by Pell respondents and non-Pell respondents.

Key Findings: A Deeper Dive Into Tennessee’s Pell Student Experience

In total, 101 Pell-eligible students were invited to a focus group opportunity, of which 21 total students participated. Generally, focus group narratives aligned with the overall survey results. While many Pell students believe in the value and return on investment of higher education, the high cost of attendance has forced students to make significant sacrifices to simply remain in school. Generally, four key themes arose from the focus groups:

1 Students Feel Underprepared and Unsupported

Focus group participants indicated a lack of preparation for the variety of financial responsibilities in college, pointing towards hidden fees, books, and the sheer total cost being overwhelming. Often, students reported their high school counselors simply had too heavy of caseloads, and could only walk them through the basics of applying for college – meaning that they were left to fend for themselves through a complex, opaque system. Particularly for first-generation students, this meant that students lost out on scholarship opportunities and were often unsure over whether they would be able to meet their financial obligations.

*“I was **super unprepared** even applying. The guidance counselor was assigned too many students to be effective. Being the first in my family, I didn’t even realize the scholarship application was due a month before my application to the school, so I lost out on many scholarship opportunities.”*

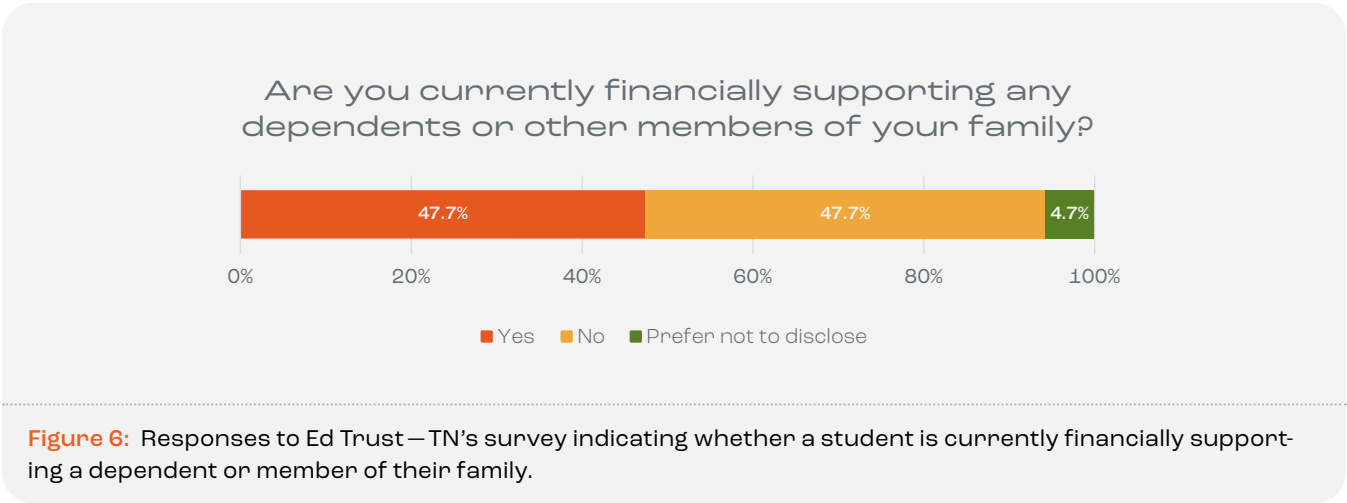
—Student at a public, 4-year university in Middle Tennessee

While college-going rate data is currently not disaggregated by income status, lack of awareness of financial aid programs remains a significant challenge. Only one in two high school students on a THEC administered survey indicated that they were aware of the federal Pell Grant¹⁰—suggesting that lack of financial aid awareness may be dissuading students from even considering a postsecondary education. Localized programs, like the Nashville Flex program, however, provided direct guidance to students that helped illuminate the full costs they would face and were immensely helpful to focus group participants.

2 Rising Non-Tuition Related Costs

The vast majority of Pell students expressed concern over paying for increasing cost of living on top of tuition costs, particularly in areas where housing costs have increased dramatically. Nearly 1 in 3 total survey respondents indicated that they did not feel they had enough financial resources to cover the cost of housing. While some indicated that living with relatives helped keep costs down, others indicated that they were also financially supporting their families or other dependents.

06



Completion Grants: Addressing Student Life Circumstances in State Policy

[TCA § 49-7-178](#) created a pilot 4-year completion grants program, available to Pell-eligible Tennessee Promise students and administered by [tnAchieves and the Ayers Foundation](#)³² to help students cover non tuition costs like food, transportation, housing, books and supplies, and class specific fees. In its first year, this program awarded over \$240,000 to over 700 students with each recipient receiving about \$343, with the most frequently requested categories being transportation and food costs. Importantly, Knox Promise students who received a completion grant alongside tnAchieves COMPLETE coaching persisted at higher rates, earned more credits, and had higher GPAs than their peers who did not receive a grant.³³





Nashville Flex: Supporting Attainment with Intentional Support and Non-tuition Assistance

The Nashville Flex program, supported by the Tennessee College Access and Success Network, provides wraparound services to part-time students at Nashville State Community College. With funding provided by the Kresge Foundation, Nashville Flex students are provided with a dedicated success advisor as well as resources to cover non-tuition costs including a loaner laptop, a \$150/semester stipend for textbooks, and \$150/month in gift cards to help manage expenses like gas and groceries. With an enormous 92 percent persistence rate, and 81% retention rate, Nashville Flex students are staying in the higher education pipeline at rates 26 percentage points over the part-time national average.

③ Sacrifices and Finding Balance

“Basically anything that is an accessory I had to opt out of. I opted out of textbooks because they are each \$100. I asked someone to let me use theirs — I looked at people’s computers or asked a professor if I could see what the reading was about. I didn’t have the textbooks because it had to be an accessory.”

—Student at a public, 4-year university in East Tennessee

Pell students commonly shared about their sacrifices to afford college — working full-time, dropping courses, not buying books, sacrificing groceries, and sacrificing time to read or spend with friends and family. Many expressed that because they were constantly worrying about affording the bare minimum expenses, they were unable to focus on their academic success as a student — let alone attending professional development, networking, or other campus opportunities. Balancing school with work, particularly when working two or even three jobs at a time, remains one of the primary hurdles for participants, making it particularly challenging to succeed academically and professionally for Tennessee’s Pell-eligible students.

“It has been really hard these four years just because you want to put 100% in your academics but there’s a lot of things financially that we don’t have the privilege of not caring about. I don’t have that privilege to not worry if my mom can’t pay rent this month — it takes away from the focus and concentration of school. Balancing work and being a student — that’s been really difficult.”

—Student at a private, 4-year university in Middle Tennessee

Alongside strengthening financial aid systems, institution and education leaders must ensure that students can take advantage of cost limiting programs, like [Tennessee Open Education](#)¹¹ as well. Tennessee Open Education provides free, high-quality instructional materials that helps ensure that students are equipped with the tools necessary to be successful academically, and are a critical lever to help mitigate growing costs.

④ Most Students Still Believe in the Long-Term Payoff of Higher Education

“Most important thing for me is — I’m Hispanic — making my family proud. Like I said, investing into my family and being able to help others who have had the same life as me. I want to model that for other students and guide them. Its hard to navigate higher education. Not even higher ed — high school, a lot of immigrant parents are proud of their children just to graduate from high school. That whole thing it’s something that makes it worth it to me. I’m able to give back to my community and people, and all of us go up.”

—Student at a private, 4-year university in Middle Tennessee

Overwhelmingly, current students shared that pursuit of higher education is worth the financial cost, both because of the boost in earnings and career growth, but also due to the valuable experience, learning, and their ability to make their families proud. For some, however, the presence of financial aid, or lack thereof, was the difference in whether they felt pursuing higher education was worth the sacrifices they had to make.

Key Findings: What does Data and Research Tell Us About Need-Based Aid?

Pell Grants Tend to Serve Students of Color, Community College Students More

Pell-eligible students are those who demonstrate ‘[exceptional financial need](#)¹²,’ with 90 percent of recipients coming from households that make less than \$50,000 annually. As a result, Pell students generally cannot rely on their families to provide any financial support while pursuing a postsecondary credential. [The Pell Grant also serves large proportions of students of color](#)—supporting 57% of Black students, 46% of Latino students, and 51% of Native American students nationally¹³. In Tennessee, [Pell students also make up the vast majority of community college students \(66%\), and are also highly concentrated at certain universities like Tennessee State University \(79%\), the University of Memphis \(66%\) and Austin Peay State University \(64%\)](#)¹⁴.

Need-Based Aid Supports Upward Mobility But Has Dramatically Weakened Over Time

Research finds that targeted, need-based financial aid yields higher returns for students and by extension Tennessee’s economy—making it more likely that students will [enroll in more credit hours, graduate on time, and have increased earnings upon graduation](#)¹⁵. Despite this, the Federal Pell Grant has drastically declined in purchasing power—once [covering nearly 80 percent of the cost of a four-year degree, the maximum Pell now covers less than 30 percent](#)¹⁶. In Tennessee—where students [receive on average \\$5,046](#)¹⁷, the average Pell Grant covers only about 20 percent of the average cost of attendance at 4-year institutions and about 40 percent at a community college. Critically, Tennessee community college students with an Adjusted Gross Index of less than \$48,000 have seen their net price increase by 9 percent from 2016-2021¹⁸—**the fastest growing of any income bracket**. The Pell Grant’s decline in economic strength leaves growing [affordability gaps](#)¹⁹ for students from low-income backgrounds²⁰.

Despite a robust financial aid portfolio, Tennessee only allocates about 21 percent of funds solely on the basis of financial need—**one of the lowest percentages in the country**²¹. While Pell students are not necessarily precluded from the benefits of other scholarships, eligibility requirements and last-dollar designs often disadvantage Pell students, at times ensuring that they receive little to no financial benefit from other programs.

07

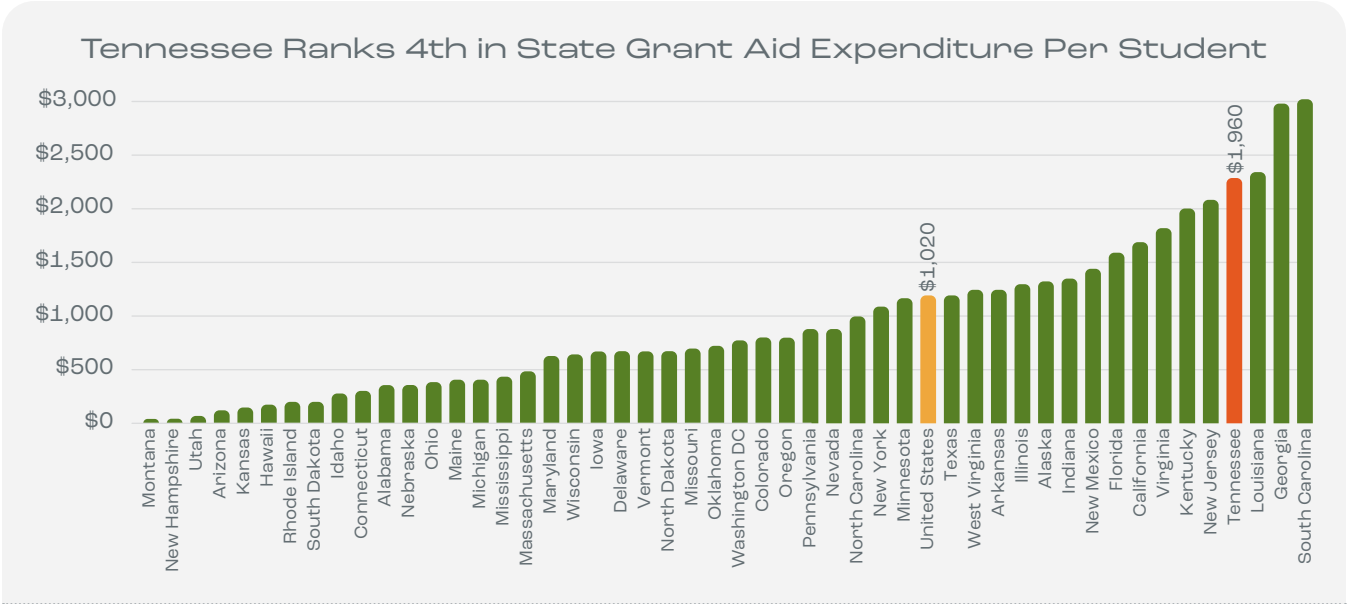


Figure 7: In 2020-21, the average state grant aid per student by each state.

08

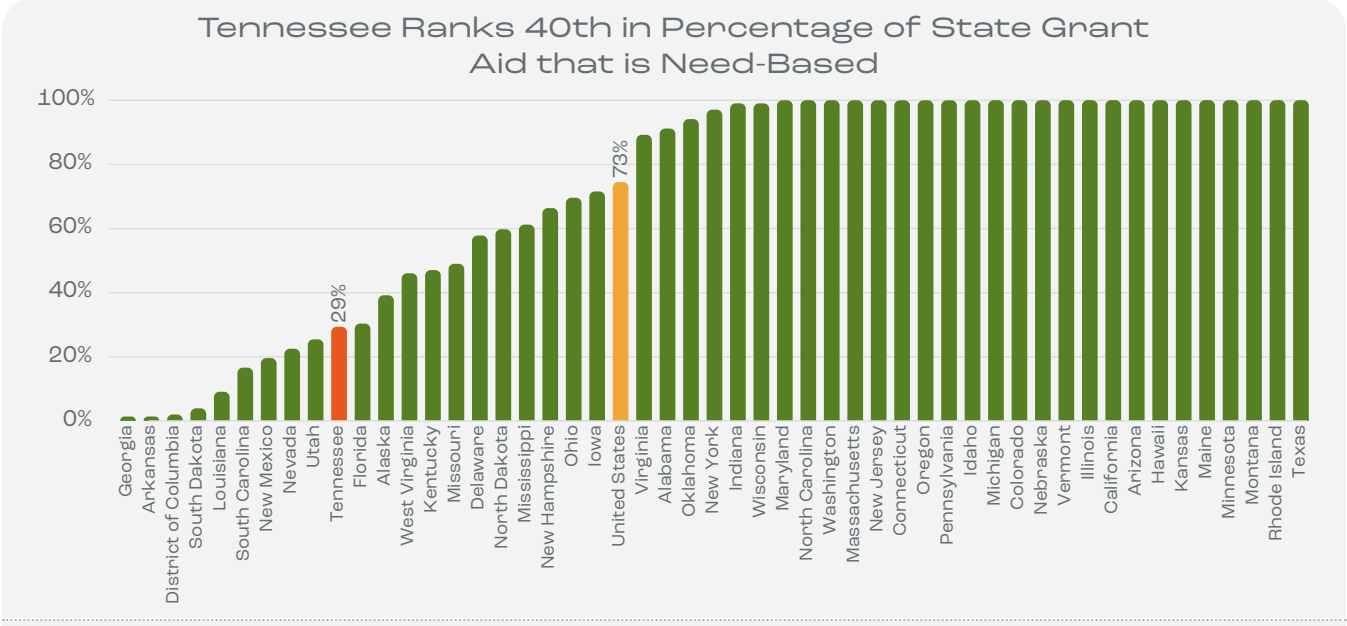


Figure 8: In 2020-21, the percentage of each state's grant aid portfolio that is allocated solely on the basis of a student's financial need.

Pell Students are Underrepresented in Tennessee HOPE and Renew at Far Lower Rates

Tennessee HOPE, Tennessee’s recently expanded merit-based scholarship, grants \$4,500 per year to freshmen with a high school GPA of 3.0 or ACT of 21 or higher. Despite this generous source of funding for students, Pell-eligible students are significantly underrepresented in this scholarship. Consisting of 58 percent of all public undergraduate students in Tennessee, [Pell students only make up approximately 42 percent of first-time HOPE recipients](#)²². While fewer Pell students initially receive HOPE, Pell-eligible students also renew the HOPE scholarship at far lower rates than their peers, likely due to a combination of [requirements](#) that students maintain full-time enrollment, a 2.75 GPA after each academic year, and a 3.0 GPA after a student’s 3rd year²³ . Particularly for students who cannot rely on their families to absorb unexpected costs, life circumstances can temporarily cause a decline in a student’s academic performance or a drop in enrollment intensity – potentially causing a loss of the scholarship. Unfortunately, the loss of significant aid from HOPE exacerbates students’ financial insecurity and [makes it even less likely that they will ultimately persist and complete](#)²⁴.

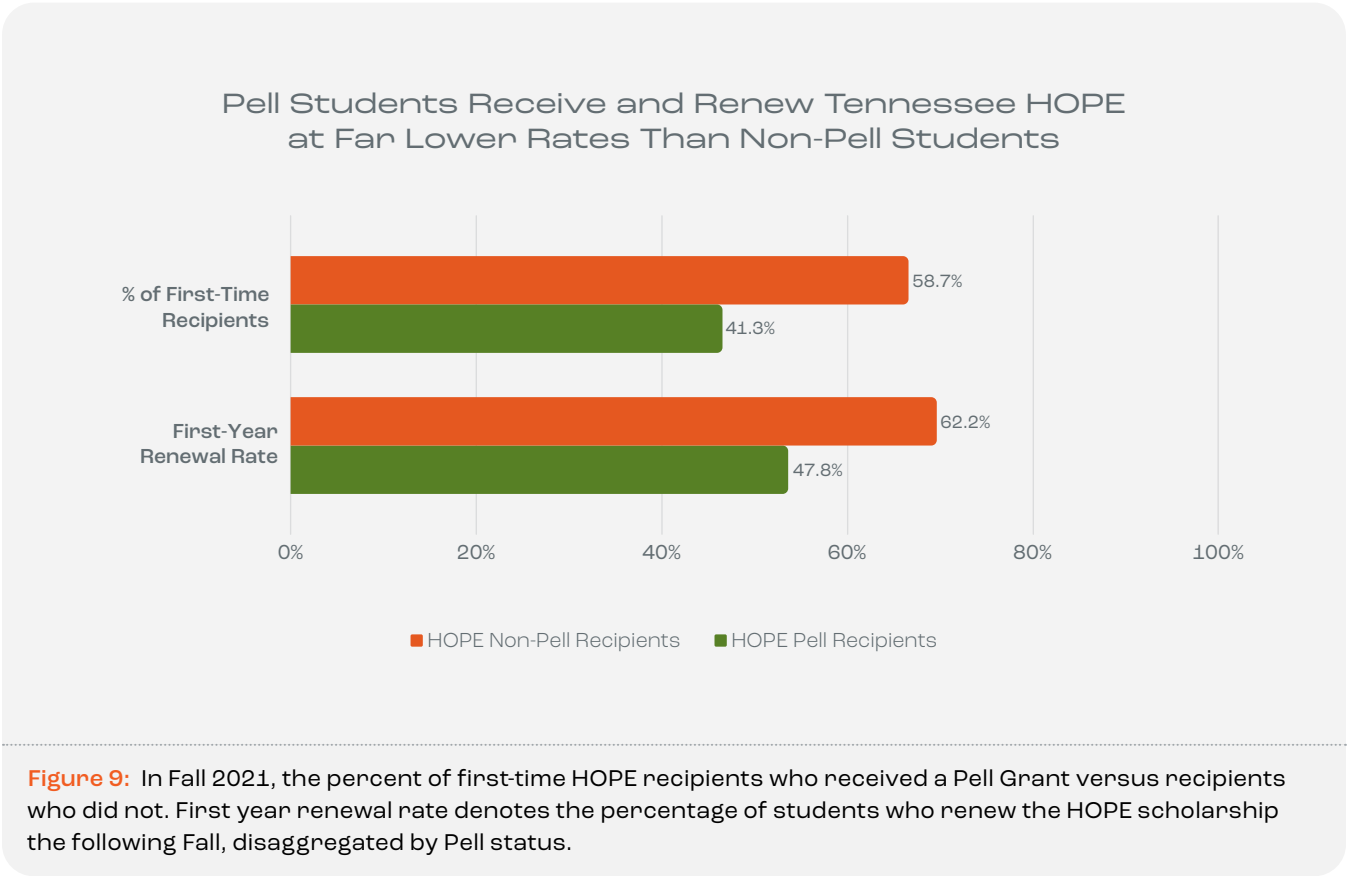
While Pell students are less likely to benefit from Tennessee HOPE, HOPE does acknowledge need for its recipients through the additional ASPIRE award. Granted to HOPE students who come from households with an Adjusted Gross Income of less than \$36,000, ASPIRE allocates an additional \$1,500 per year on top of the original HOPE award²⁵. ASPIRE is a crucial supplement to HOPE for students from low-income backgrounds; however, its definition of financial need does not align with the Tennessee Student Assistance Award, leaving out a large subsection of Pell-eligible students from benefiting from the program.

Tennessee Promise Does Little to Address Affordability for Pell-Eligible Students

Tennessee Promise, perhaps the most well-known scholarship program in the state, guarantees tuition-free community college to high school seniors. Designed as a last-dollar scholarship, however, [Promise does little to address the issue of college affordability for Tennessee’s most economically vulnerable students](#)²⁶. Because Promise only applies to tuition and fees **after other scholarships are applied**, students whose tuition is covered by the Pell Grant often receive zero financial benefit – leaving Pell students to still manage immense non-tuition costs. On average, a student that was ever Pell-eligible received \$185 in Promise dollars in the Fall semester of 2021, while their peers who never received the Pell Grant received \$1,076²⁷. Tennessee Promise has spurred immense growth in college-going and has supported thousands of Tennesseans toward an affordable postsecondary education. Because of its design, however, Promise does not financially support the students who need assistance the most.

For those that Promise does financially support, renewal parameters that require a student to maintain 12 credit hours per semester unfortunately means that students who must reduce their enrollment intensity due to a life circumstance will become ineligible for the scholarship. While well intentioned to ensure more students are on track to graduate quickly, this enrollment requirement leaves out many whose personal circumstances demand flexibility and whose continued enrollment may hinge on renewal of the scholarship.

09



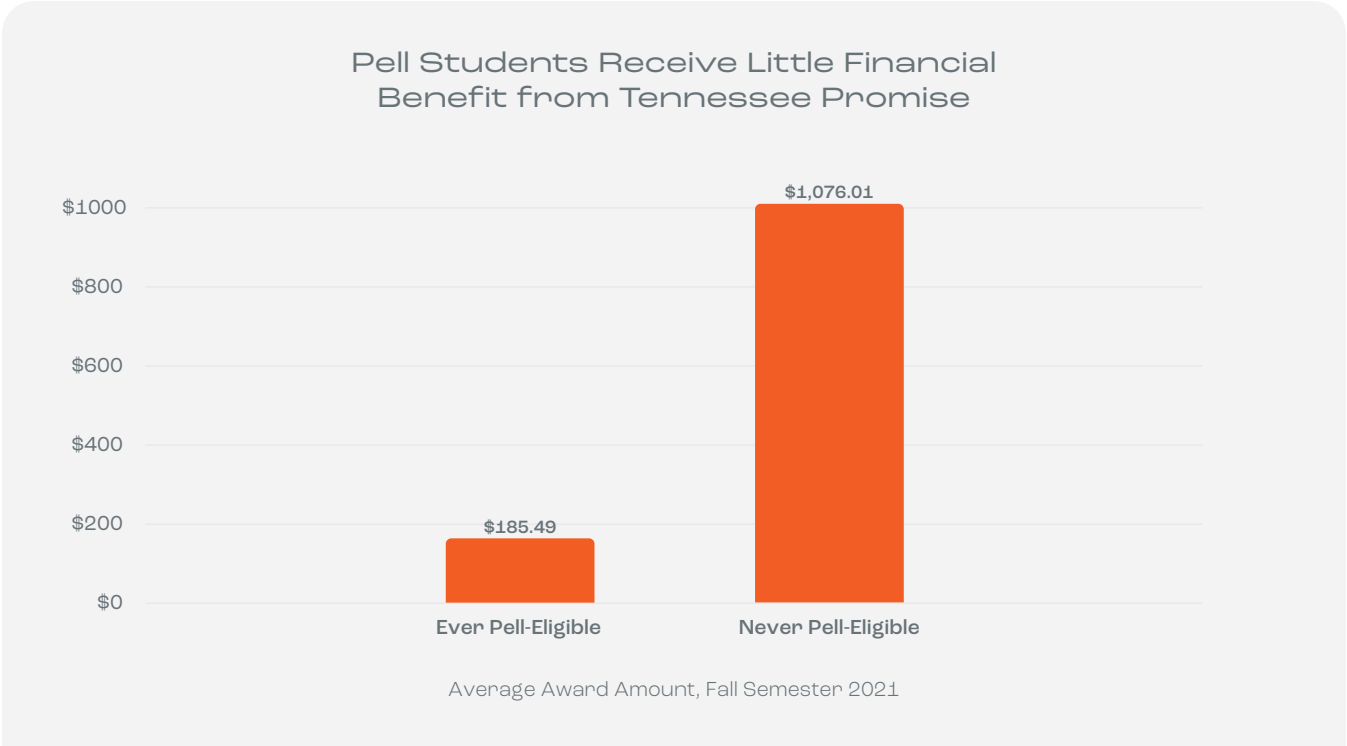


Figure 10: In Fall 2021, the average award granted by Tennessee Promise, disaggregated by a student who ever received the Pell Grant, versus those who never received Pell.

The Tennessee Student Assistance Award Recognizes Need and Life Circumstances

The [Tennessee Student Assistance Award](#) (TSAA) is the only source of funding that is solely allocated on the basis of need – and is also the only of Tennessee’s three largest financial aid programs that permits part-time enrollment. Providing Pell-eligible students at public institutions with \$2,000 per year, TSAA provides straightforward, targeted aid – though it only makes up about 20 percent of Tennessee’s total financial aid portfolio²⁸. While TSAA recognizes that some students by circumstance must enroll part-time, its eligibility runs out after 4 semesters for community college and 8 semesters for university students. Ironically, when compared to HOPE and Promise, TSAA is the only scholarship that ends at what is considered on-time completion, despite being the only scholarship of the three available to part-time students. This leaves part-time students with the task of finding new sources of financial assistance before they can realistically complete their degree, potentially derailing them from the benefits of a postsecondary credential.

	Promise	Reconnect	HOPE	HOPE ASPIRE	TSAA
Eligibility Rules	Community college/TCAT student, must apply during senior year of high school	Community college/TCAT student, over age of 23	Any sector, 3.0 GPA/21 ACT	Any sector, 3.0 GPA/21 ACT	Any sector, Pell-eligible
Enrollment Requirements	Full-time, continuous enrollment	Half-time	Full-time, continuous enrollment	Full-time, continuous enrollment	Half-time
Max Terms	5 semesters	5 years	5/10 semesters	5/10 semesters	4/8 semesters
Acknowledgment of Financial Need	n/a	n/a	See ASPIRE	Family AGI <\$36,000	Pell-eligible
Percent of Total Portfolio 2020-21	6.10%	5.80%	42.60%	14.50%	21.10%

State Financial Aid Policy Scan

Ed Trust – Tennessee compiled a policy scan of model financial aid programs that mirror Tennessee’s system but embed stronger considerations of need and circumstance for students. Model programs were selected if they were more generous, had stronger consideration of financial need, or were more flexible with eligibility and renewal requirements for students. Key areas that Tennessee policymakers should consider modeling after have been marked by a star.



NEED-BASED PROGRAMS	TN Student Assistance Award		IN Frank O'Bannon Grant	KY College Access
	First / Last Dollar	First	First	First
	Income Limit	Pell-Eligible	\$4,500 EFC	Pell-Eligible
	Min/Max Award, Public 2-Year	\$0 / \$2,000	\$0 / \$4,500	\$0 / \$2,500
	Min/Max Award, Public 4-Year	\$0 / \$2,000	★ \$0 / \$4,500	★ \$0 / \$5,300
	Tuition +	COA	Tuition + Fees	Tuition + Fees
	HS Academic Achievement	None	None	None
	Enrollment Requirement	Part-time	★ Full-time; monetary incentives for on-time	Part-time
	College GPA Requirement	SAP ²	★ SAP; monetary incentives for 3.0+	SAP
	Max Award Term, 4-Year Program	8 semesters	4 years	8 semesters
	Max Award Term, 2-Year Program	4 semesters	2 years	4 semesters

Frank O'Bannon Grant: Driving Indiana's Attainment Goals through Need-Based Aid

In 2020-2021, the state of Indiana distributed more than [\\$300M in need-based aid](#)³⁴ to students attending postsecondary institutions. The [Frank O'Bannon Grant](#)—a first-dollar award determined by a student's Expected Family Contribution—represents the largest financial aid program in Indiana's portfolio. Base awards for students at public institutions range from \$3,000-\$4,500. In 2013, the [state legislature incorporated student incentives](#)³⁵, offering "award bonuses" in addition to base awards. Students earning above a 3.0 GPA can receive an additional \$900 per year; students taking 30+ credit hours per academic year (i.e., on-time status) are eligible for additional bonuses. A 2012 [evaluation](#)³⁶ of the Frank O'Bannon grant found that recipients were more likely to persist to their second year *and* to graduate. While attainment gains cannot be attributed solely to a deep investment in need-based aid, policymakers should look to Indiana's [nearly 20 percentage point jump in postsecondary attainment](#)³⁷ since 2009 as a model to drive Tennessee's economy forward.

LAST/MIDDLE DOLLAR PROGRAMS	TN Promise		OR Promise	MI Achievement
	First / Last Dollar	Last	★ Middle	★ Middle
	Income Limit	None	None	25,000 EFC
	Min/Max Award, Public 2-Year	\$0 / \$4,332	★ \$2,058 / \$4,248	★ \$1,000 / \$2,750
	Min/Max Award, Public 4-Year	Ineligible	Ineligible	\$2,500 / \$5,500
	Tuition +	Tuition + Fees	COA	COA
	HS Academic Achievement	None	2.0 GPA	None
	Enrollment Requirement	Full-time	Part-time	Full-time
	College GPA Requirement	SAP	SAP	SAP
	Max Award Term, 4-Year Program	Ineligible	Ineligible	5 years
	Max Award Term, 2-Year Program	5 semesters	90 credits	3 years

- ★ COA refers to the "Cost of Attendance," which recognizes the annual cost to attend an institution, inclusive of living expenses;
- ★ SAP refers to Satisfactory Academic Progress, a common financial aid eligibility requirement



LAST/MIDDLE DOLLAR PROGRAMS	TN HOPE Aspire		MD Guaranteed Access	VA Guaranteed Assistance
	First / Last Dollar	Middle	Last	Last
	Income Limit	Family Income <\$36K	130% of Poverty Level	★ Pell-Eligible
	Min/Max Award, Public 2-Year	\$3,600; not to exceed COA	COA – EFC – Other Gift Aid	Tuition + Fees + Books
	Min/Max Award, Public 4-Year	\$6,000 (Yrs. 1 & 2); not to exceed COA	★ COA – EFC – Other Gift Aid (Max Award = ~\$20K)	★ Tuition + Fees + Books (Avg. Award = \$5,964)
	Tuition +	COA	COA	Tuition + Fees + Books
	HS Academic Achievement	3.0 GPA; 21 ACT or 1060 SAT	2.5 GPA	2.5 GPA
	Enrollment Requirement	Full-time	Full-time	Full-time
	College GPA Requirement	2.75 (Yrs. 1 & 2)	SAP	2
	Max Award Term, 4-Year Program	5 Years	4 years	4 Years

Key Recommendations for Equitable Financial Aid in Tennessee

Tennessee policymakers have an opportunity to maximize its large investment and drive more students to completing a postsecondary degree or credential by aligning its financial aid system to the experiences of today’s students. A streamlined, flexible financial aid system that acknowledges the economic and personal realities of Tennessee’s students ensures that those whom financial aid is the difference to postsecondary success are able to benefit. To advance Tennessee forward towards its attainment goals, the Education Trust – Tennessee offers the following student-centered recommendations for policymakers:

Increase Allocations and Award Amounts

- For Tennessee Promise, implement a \$1,000 minimum award amount to allow Pell-eligible students to receive a comparable financial benefit to their non-Pell peers. This policy would allow Pell-eligible students to utilize these funds on non-tuition costs previously not covered by Promise.
- For the Tennessee Student Assistance Award, increase the total allocation and subsequent award amount; Consider implementing a scaled award that significantly incentivizes and rewards students for making on-time progress towards a degree, similar to the [Indiana Frank O’Bannon Grant](#)²⁹.
- Sustain completion grant funding for Pell-eligible, Tennessee Promise students originally piloted in TCA 49-7-178. Maintaining funding for this initiative will ensure continuous supports for students who may struggle to face critical non-tuition costs.
- Similar to [TCA § 49-7-178](#)³⁰ which administered a pilot completion grants program for Pell-eligible Promise students, establish a pilot completion grant program, available to Pell-eligible students at 4-year institutions, to address non-tuition ‘life’ event costs. Funds should be administered by institutions, with priority given to universities that serve a student population with an above-average percentage of Pell-eligible students.

Align Eligibility and Renewal Requirements

- For the Tennessee Student Assistance Award, extend the amount of time that a student is eligible from 4/8 semesters to 5/10 semesters, consistent with Tennessee HOPE and Promise.
- For the Tennessee HOPE ASPIRE award, change the Adjusted Gross Income requirement from \$36,000 to include any student that is Pell-eligible. This would align the recognition of financial need with the Tennessee Student Assistance Award and permit more students from low-income backgrounds to benefit from the bonus award.
- For Tennessee HOPE, permit a one-time grace semester for students who fall under the cumulative GPA requirement for renewal. HOPE already permits a student to regain the award one time should they improve their GPA above the cutoff but losing the scholarship makes it less likely that a student would eventually recover. Permitting a grace period would allow students who may have faced challenging life circumstances an opportunity to improve their GPA without giving up a substantial amount of aid.
- For Tennessee Promise, allow students to enroll in an average of 24 credit hours per academic year, rather than 12 credits each semester, and consider a similar shift with Tennessee Reconnect. This shift would offer students the flexibility to enroll in fewer courses should they need to during a semester, so long as they maintain full-time status for the year.

Conclusion

All of Tennessee’s students — regardless of background — deserve an opportunity to pursue a postsecondary degree or credential, but meeting that aspiration means acknowledging **how** different backgrounds enable or inhibit that promise. Our financial aid system must adapt to reflect the realities of an increasingly diverse student body in which over half of our students come from low-income backgrounds, one in four are enrolled part-time, and one in five are over the age of 25³¹. Tennessee should be proud of its immense investment in college affordability, but solutions that do not consider need or circumstance disadvantage those whom financial aid was intentionally intended to support. By reinforcing our financial aid system and prioritizing a flexible, need-centric design, policymakers have an opportunity to drive Tennessee towards its economic goals and ensure that all students can access the benefits of a postsecondary education.

Acknowledgements

Special thank you to the following organizations and individuals for providing valuable data, feedback, and expertise to advancing a more effective financial aid system in Tennessee:

- **Tennessee Board of Regents**
- **Tennessee College Access and Success Network**
- **Tennessee Higher Education Commission**
- **Tennessee State Collaborative on Reforming Education**
- **The Education Trust National**
- **tnAchieves**
- **Samantha Gutter, Consultant**



Endnotes

1. Institute for Higher Education Policy. (2023). College Affordability Still Out of Reach for Students with Lowest Incomes, Students of Color. Retrieved September 10th, 2023, from [College Affordability Still Out of Reach for Students with Lowest Incomes, Students of Color - IHEP UPDATE.pdf \(tn.gov\)](#).

2. Tennessee Higher Education Commission and Student Assistance Corporation. (2023). Tennessee Student Assistance Award. Retrieved on September 10th, 2023, from [Tennessee Student Assistance Award \(tn.gov\)](#).

3. National College Attainment Network (2022). Need-Based Financial Aid Drives Economic Mobility, New Study Finds. Retrieved on September 10th, 2023, from [Need-Based Financial Aid Drives Economic Mobility, New Study Finds - National College Attainment Network \(ncan.org\)](#)

4. Georgetown University. (2022). Celebrating 50 Years of Pell Grants. Retrieved September 10th, 2023, from [Celebrating 50 years of Pell Grant aid - THE FEED \(georgetown.edu\)](#).

5. [The Education Trust – Tennessee \(n.d.\). Tennessee Alliance for Equity in Education. Retrieved on September 10th, 2023, from Home - Tennessee Alliance for Equity in Education \(thealliancetn.org\)](#).

6. The Education Trust – Tennessee. (n.d.). EmpowerEd Network. Retrieved on September 10th, 2023, from [EmpowerEd Network - EmpowerED \(empoweredtn.org\)](#).

7. The Education Trust – Tennessee. (n.d.). Thrive. Retrieved on September 10th, 2023, from [Thrive - The Education Trust \(edtrust.org\)](#).

8. The Education Trust – Tennessee (2023). Cost of Higher Education Survey. Retrieved on September 10th, 2023, from [Cost of College Survey - Google Forms](#).

9. Pike, G. (2008). First-Year Students’ Employment, Engagement, and Academic Achievement. Untangling the Relationship Between Work and Grades. Retrieved on September 10th, 2023, from [First-Year Students’ Employment, Engagement, and Academic Achievement: Untangling the Relationship Between Work and Grades \(researchgate.net\)](#)

10. Tennessee Higher Education Commission (2022). College Going and the Class of 2021. Retrieved on September 10th, 2023 from [College-Going Reports \(tn.gov\)](#).

11. Tennessee Higher Education Commission (2023). Tennessee Open Education. Retrieved on September 10th, 2023, from [Tennessee Open Education \(tn.gov\)](#).

12. U.S. Department of Education (2023). Federal Pell Grants. Retrieved on September 10th, 2023, from [Federal Pell Grants | Federal Student Aid](#).

13. Education Data Initiative (2023). Pell Grant Statistics. Retrieved on September 10th, 2023, from [Federal Pell Grants | Federal Student Aid](#).

14. Tennessee Higher Education Commission (2023). Tennessee Higher Education Factbook 2022-2023. Retrieved on September 10th, 2023, from [Fact Book, 2023, SUMMER UPDATE.pdf \(tn.gov\)](#).

15. Denning, J. (2017). Propelled: The Effects of Grants on Graduation, Earnings, and Welfare. [UpJohn Institute for Research for Employment Research](#).

16. Georgetown University. (2022). Celebrating 50 Years of Pell Grants. Retrieved September 10th, 2023, from [Celebrating 50 years of Pell Grant aid - THE FEED \(georgetown.edu\)](#).

17. Education Data Initiative (2023). Pell Grant Statistics. Retrieved on September 10th, 2023, from [Federal Pell Grants | Federal Student Aid](#).

18. Tennessee Higher Education Commission (2023). Tennessee Higher Education Factbook 2022-2023. Retrieved on September 10th, 2023, from [Fact Book, 2023, SUMMER UPDATE.pdf \(tn.gov\)](#).

19. The Education Trust (2017). How Affordable Are Public Colleges in Your State for Low Income Students? Retrieved on September 10th, 2023, from [How Affordable Are Public Colleges in Your State? - The Education Trust \(edtrust.org\)](#).

20. Tennessee Higher Education Commission (2023). Tennessee Higher Education Factbook 2022-2023. Retrieved on September 10th, 2023, from [Fact Book, 2023, SUMMER UPDATE.pdf \(tn.gov\)](#).

21. CollegeBoard (2022). Trends in Student Aid. Retrieved on September 10th, 2023, from [Trends in Student Aid – College Board Research](#).

22. Tennessee Higher Education Commission (2023). Tennessee Education Lottery Scholarship (TELS) Participation Dashboard. Retrieved on September 10th, 2023, from [Workbook: TELS Participation Dashboard \(tn.gov\)](#).

23. Tennessee Higher Education Commission & Student Assistance Corporation. (2023). Tennessee HOPE Scholarship. Retrieved on September 2023, from [Workbook: TELS Participation Dashboard \(tn.gov\)](#).

24. Henry, G. (2004). Is HOPE Enough? Impacts of Receiving and Losing Merit-Based Financial Aid. [Politics of Education Association. https://doi.org/10.1177/0895904804269098](#)

25. Tennessee Higher Education Commission (2023). Aspire award. Retrieved on September 10th, 2023, from [Aspire Award \(tn.gov\)](#)

26. Institute for Higher Education Policy. (2018). New Research Finds New York, Tennessee State Free-College Programs Fall Short of Improving Affordability for Low-Income Students. Retrieved on September 10th, 2023, from [New IHEP Research Finds New York, Tennessee State Free-College Programs Fall Short of Improving Affordability for Low-Income Students - IHEP](#).

27. Tennessee Higher Education Commission. (2023).

28. Tennessee Higher Education Commission & Student Assistance Corporation. (2023). Tennessee Student Assistance Award. Retrieved on September 10th, 2023, from [Tennessee Student Assistance Award \(tn.gov\)](#).

29. Indiana Commission for Higher Education. (2023). Frank O'Bannon Grant. Retrieved on September 10th, 2023 from [CHE: Frank O'Bannon Grant \(in.gov\)](#)

30. Tennessee Higher Education Commission. (2022). Completion Grants Report 2022. Retrieved on September 10th, 2023 from [Completion Grants Report \(tn.gov\)](#).

31. Tennessee Higher Education Commission (2023). THEC Factbook 2023. Retrieved on September 10th, 2023, from [Fact Book_2023_SUMMER UPDATE.pdf \(tn.gov\)](#)

32. tnAchieves (2023). tnAchieves COMPLETE Grants. Retrieved on September 10th, 2023, from [tnAchieves COMPLETE Grants](#).

33. Fox, William (2020). Knox Promise: [First Year Summary of Outcomes](#). Retrieved on September 10th, 2023.

34. National Association of State Student Grant and Aid Programs. (2022). 52nd Annual Survey Report on State-Sponsored Student Financial Aid. Retrieved on September 10th, 2023, from [2020-2021-52nd.pdf \(nass-gapsurvey.com\)](#).

35. Yanagiura, T. (2017). Indiana Financial Aid Reform Initial Evaluation. Retrieved on September 10th, 2023, from [S360-Indiana Financial Aid Reform-Final \(postsecondary-analytics.com\)](#).

36. HCM Strategies. (2012). Evaluation of Indiana's Financial Aid Programs and Policies. Retrieved on September 10th 2023, from [IN_report_FINAL-compressed.pdf \(square-space.com\)](#).

37. Lumina Foundation (n.d.) A Stronger Nation. Retrieved on September 10th, 2023, from [Higher Education attainment data | Stronger Nation \(luminafoundation.org\)](#).

What is Thrive?

Tennessee has received national attention for our work to make college more affordable through initiatives like HOPE and Tennessee Promise. More than almost any other factor, a postsecondary degree is the ticket to achieving social and economic mobility, yet too few students of color and from low-income backgrounds are able to enroll in, afford, and complete college.

Thrive is an initiative of The Education Trust — Tennessee that aims to advance proven strategies to increase the number Black and Latino students progressing to post-secondary education.



THRIVE



The Education Trust—Tennessee



VISIT edtrust.org/tennessee/thrive